



**CONGRESSIONAL BUDGET OFFICE
PAY-AS-YOU-GO ESTIMATE**

November 18, 1997

H.R. 2265

No Electronic Theft (NET) Act

As cleared by the Congress on November 13, 1997

H.R. 2265 would establish criminal fines and penalties for reproducing and distributing copyrighted works by electronic means even if the perpetrator does not benefit financially from the theft. Based on information from the Department of Justice (DOJ), CBO expects that this act would enable DOJ to prosecute several additional copyright infringement cases each year. If DOJ were to win one or more cases each year, the fine assessed for each case could range from \$25,000 to \$50,000 or more. CBO estimates that annual collections from these fines would not be significant. Any such collections would be recorded on the budget as governmental receipts (revenues). Such receipts are deposited in the Crime Victims Fund and spent the following year. Because any increase in direct spending under H.R. 2265 would be the same as the amount collected with a one-year lag, the additional direct spending also would be insignificant.

The CBO staff contacts for this estimate are Rachel Forward (for federal costs), and Alyssa Trzeszkowski (for revenues). This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.